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## Private Entrepreneurship and Small Business Promotion Strategy

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**Abstract:** By examining the experiences of many countries in this area, this article analyzes the tasks that need to be completed in our nation in the state's support of small business entities and develops proposals for a variety of policies to encourage the growth of small businesses.

**Key words:** Competitive effectiveness, small business, capital investment, tax deduction, accounting, subsidy, proprietor, consulting, preferred credit, and free consultation.

One of the main ways to strengthen the economy of the Republic of Uzbekistan, to develop it in all respects, and to accelerate the transition of the economy, especially to the market, is the development of small business and private entrepreneurship. Therefore, a number of laws, decrees and decisions were adopted on the development of entrepreneurship, its support by the state, initiative in private entrepreneurship, and its encouragement. Without entrepreneurship, factoring, and business characteristics, it is difficult to envision the foundation of the economic and social reforms being implemented in our nation. People's lives, lifestyles, spirituality, and life skills are all reflected in the widespread development of free market relations. There is support for small businesses and private enterprise serves a variety of objectives, including those connected to the economy's ongoing growth, providing better economic relations, fostering competition, and filling the consumer market. In order to make small business and private entrepreneurship more stable in our country, the President of the Republic of Uzbekistan "Additional measures to fundamentally improve the system of organizing work on the protection of private property and strengthening the guarantees of the rights of owners, supporting entrepreneurial initiatives, as well as on expanding the opportunities of business entities to use financial resources and production infrastructure" dated August 13, 2019 No. PF-5780 and the President of the Republic of Uzbekistan "Small business under the Ministry of Economy and Industry of the Republic of Uzbekistan and on the organization of the activity of the entrepreneurship development agency" decisions No. PQ-4417 of August 13, 2019 were adopted.

The coronavirus pandemic, which is having a negative impact on the economy of hundreds of countries of the world, requires us to mobilize all resources that contribute to the stable development of the country's macroeconomics. Small businesses and private enterprise are one of the key sources of the nation's economy's stabilization, acting as its "locomotive." A number of conditions that support small business operations must be present for small business organizations to successfully integrate into a

nation's economy. It is used, first and foremost, to restrict competition between big businesses and small businesses. All sides must be of an appropriate size for competition to be successful. Enterprises must take up their position in the economy in order to ensure their viability in the struggle for market share. In many countries, certain government organizations are involved in fostering the growth of small businesses.

In some countries, the regional fund of the European Union participates in financing the development of small businesses. Small business entities with preferential financing must guarantee that they will maintain their jobs and activities for 4 years. For new firms, the share of invested capital should exceed 25 percent, and for existing ones, 30 percent. In addition, if the project contributes to the solution of regional problems, an additional 5 to 40 percent of the capital investment will be provided. Small business advisory funds are being established in other European countries. The main tasks of the fund are to create competition for private enterprises, direct the activities of small business entities in accordance with the state policy, select enterprises to provide state support in the form of tax benefits, etc.

Support Fund offers the following assistance: independence, profitability, nature of the production activity or nature of the production services, accessibility to all required financial and accounting records, maintenance of those records, etc. Several strategies to promote the growth of this firm were devised and advised after researching the experiences of other nations in the area of state assistance of small business entities:

1. Helping small business entities accumulate initial capital:

a) providing subsidies for use as the company's founding capital. The subsidy is non-refundable and targeted. Its amount is 20% of the amount deposited by an individual, but not more than 20 thousand US dollars.

b) provision of state grants for the services of indirect engineering consulting firms. In addition, within 3 years from the date of establishment of the company, the owner has the right to receive subsidies for consulting up to 10 thousand US dollars on organizational, technical and financial issues.

2. State participation (not intervention) in financing and activities of small businesses: Assistance to entrepreneurs who are starting to create small businesses:

a) Allocation of funds in the amount of 200,000 USD for 20 years (exemption from payment for the first five years. Preferential interest rate.)

b) grants are awarded: for the creation and expansion of a new enterprise within 3 years, for the purchase of an existing enterprise; to build a warehouse and equip an administrative office. Grants in the amount of 200,000 US dollars are provided for new industrial enterprises for 10 years and for construction firms for 15 years.

c) if a small business entity wants to move its business to a rural area, it will be able to rely on preferential loans.

3. Preferential lending

It is provided to small business entities at the expense of the state budget and local government budget funds. In the process of modernization, loans are granted by banks at reduced interest rates.

4. Grants for special programs

a) Grants for the purchase of movable and immovable property that is situated in an area where energy is produced or distributed, as well as for the purchase of energy-saving machinery. The subsidy cannot be more than 10% of the equipment's purchasing price.

- b) State subsidies for environmental preservation.
- c) Grants for the education of new specialists are \$5,000 per student.

Since all of the former Union's member states offer tax benefits to small enterprises, it is not necessary to focus on the ones that are currently being offered.

To maintain wealth and a healthy economic climate in society, it is crucial to preserve the spirit of initiative and free entrepreneurship in small businesses. According to international practice, any limitations placed by the government on the right of businesses to hire and fire employees, among other things, cause a decline in commercial activity. Apparently, government leaders should constantly support and oversee the interests of small enterprises. Let's take a look the primary types of this support:

1. Free consulting services for those who want to start a small business. Conferences, meetings and seminars are organized for training purposes.
2. Information synthesis of development centers, training of entrepreneurs and consulting services on various issues.
3. Establishment of small business colleges under larger universities. In challenging circumstances, they offer free assistance to business owners. Paid classes may be scheduled.
4. Women who want to launch a small business should take quick courses.
5. Specialized programs for aspiring entrepreneurs.
6. For two to three weeks, highly qualified paid course programs.

### Conclusion

The current banking and financial systems both need to undergo fundamental reforms. Small businesses should use bank loans that are granted on the basis of a guarantee or pledge as their primary source of funding for construction and technical re-equipment. Giving the loans a grace period to be repaid after the event for at least two to three years is advised.

In conclusion, we can state with certainty that if we initially support private enterprise and small business in our country with significant funding and incentives, they will quickly recoup these expenses.

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